

The following are the Minutes of the Small Business Loan Fund Corporation Board of Directors Meeting held on March 24, 2005. These Minutes were accepted by the Board of Directors on April 21, 2005.

Alicia A. Pomfret

Assistant Financial Analyst

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

MARCH 24, 2005

A monthly meeting of the Board of Directors of the Small Business Loan Fund Corporation was held in public session at the offices of the Rhode Island Economic Development Corporation, One West Exchange Street, Providence, Rhode Island on March 24, 2005, at approximately 9:30 a.m.

Present were Board Members: Raymond Fogarty (Chair), Richard DeMerchant and William Parsons. Also present were: Earl Queenan,

Anthony Scolavino, Philomena Teixeira, and Alicia Pomfret, staff, along with Thomas Moses, Legal Counsel.

Absent were Board Members Edward Rendine and Maurice Paradis.

Mr. Fogarty called the meeting to order at 9:36 a.m.

Adoption of Minutes:

The first item to come before the Board was consideration for adoption of the Public Session Minutes and Executive Session Minutes from the Board meeting held on

February 24, 2005. Mr. Parsons made a motion to approve the minutes and

Mr. DeMerchant seconded the motion, which was unanimously passed.

Executive Minutes:

The second item to come before the Board was the consideration of maintaining the Executive Session Minutes of the Meeting of February 24, 2005 as confidential.

Mr. Parsons made a motion, Mr. DeMerchant seconded, and the motion was passed unanimously.

Cash Position / Portfolio Activity

There was no discussion and no motion in connection with the cash position and portfolio activity.

Delinquency Review

There was no discussion and no motion concerning the Delinquency Review.

EXECUTIVE SESSION

At 9:38 a.m. Mr. DeMerchant made a motion to move the next portion of the meeting into Executive Session pursuant to the Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of RI 1956 (1988 Reenactment), as amended.

Mr. Parsons seconded the motion, which passed unanimously.

Upon a motion made by Mr. Parsons and seconded by Mr. DeMerchant, the Board unanimously voted to return to Public Session at 10:18 a.m.

Executive Session Vote Ratification:

The next item to come before the Board was the ratification of voting held during the Executive Session. The following votes were presented for ratification:

On behalf of BENJAMIN BOX COMPANY, to issue a loan for \$75,000, with a term of 5 years, at a fixed rate of 7.5%, having interest only payments for the first 6 months with principal and interest payments thereafter.

On behalf of RED FARM STUDIO COMPANY, to issue a \$250,000 working capital loan, with a term of 5 years, at a fixed rate of 7.5%, with principal and interest payments.

On behalf of ANDERA, INC., to change the condition for a \$100,000 term loan and a \$100,000 line of credit from the Rhode Island Business Development Corporation, to a requirement for a \$100,000 equity investment to be in place prior to the SBLFC's closing.

On behalf of the MIDC, to extend the loan commitment to June 30, 2005.

On behalf of SENESCO, to extend their loan commitment to April 30, 2005.

Mr. DeMerchant made a motion to ratify the aforementioned votes, Mr. Parsons seconded the motion, and the motion was passed unanimously.

Upon a motion made by Mr. Parsons, and seconded by Mr.

DeMerchant, the Board unanimously voted to adjourn. The meeting concluded at 10:19 a.m.

Respectfully submitted,

Earl F. Queenan, Jr.

Director of Accounting & Finance